

**MINUTES OF THE REGULAR MEETING  
OF THE HAWAII PUBLIC HOUSING AUTHORITY  
HELD AT 1002 N. SCHOOL STREET, BUILDING E,  
ON THURSDAY, DECEMBER 16, 2010  
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, December 16, 2010 at 9:08 a.m.

The meeting was called to order by Chairperson Travis Thompson and on roll call, those present and excused were as follows:

**PRESENT:**

Chairperson Travis Thompson  
Vice-Chair Eric Beaver  
Director Rene Berthiaume  
Director Sherrilee Dodson  
Director Roger Godfrey  
Director Matilda Yoshioka

Denise Wise  
Krislen Chun

Executive Director  
Deputy Attorney General

**EXCUSED:**

Director Sam Aiona  
Director Clarissa Hosino  
Director Carol Ignacio

**STAFF PRESENT:**

Barbara Arashiro  
Nicholas Birk  
Becky Choi

Shirley Befitel  
Stephanie Fo

Rick Sogawa  
Taryn Chikamori

Executive Assistant  
Planner  
Acting State Housing Development  
Administrator  
Personnel Supervisor  
Property Management and Maintenance  
Services Branch Chief  
Contract and Procurement Officer  
Secretary to the Board

**OTHERS:**

Stacie Brach  
Greg Carrol  
Darrell Chun  
Pamela Divine  
Augafa Ene

Interstate Realty Management  
Michaels Development Corporation  
Hawaii Army National Guard  
Hawaii Army National Guard  
Mayor Wright Homes resident

Desiree Kihano  
Jennifer Kishimori  
Fetu Kolio  
David Moakley  
Monika Mordasini  
Donald Nitta  
Tricia Oftana  
Alan Sarhan  
Kimberly Schreiber  
June Talia

Palolo Valley Homes resident  
CatFriends  
Mayor Wright Homes resident  
Ameresco  
Michaels Development Corporation  
Neighborhood Board #14  
Senior Analyst, Office of the Auditor  
Senior Bills Researcher, State Senate  
Michaels Development Corporation  
Kuhio Park Terrace resident

**Proceedings:**

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Dodson to approve the minutes of the Regular Board of Directors Meeting held on November 18, 2010 and it was seconded by Director Beaver.

The minutes were unanimously approved.

**Public Testimony:**

Mr. Fetu Kolio, Mayor Wright's Home resident, stated he was not aware of the status of the hot water fix.

The Chair informed Mr. Kolio that this is a priority and immediate action was taken and there is a status report on page 54 of the Board report.

Ms. June Talia, Kuhio Park Terrace resident, wished everyone a Merry Christmas.

**For Action:**

Chairperson Thompson deferred Decision Making item A.

**Motion: To Authorize the Executive Director to Hold Public Hearings on the Draft Five Year and Annual Public Housing Agency Plan for Fiscal Year July 1, 2011 to June 30, 2012.**

**Director Beaver moved and Director Dodson seconded.**

Ms. Wise introduced Mr. Nicholas Birck, the new Planner for the HPHA. Staff stated this "For Action" is requesting a motion from the Board to go to public hearing for the Annual PHA Plan.

This is an annual occurrence and the hearings have been typically held in March. This is a mandatory requirement of the Department of Housing and Urban Development (HUD) and is due to them by April 15, 2011.

In reviewing the items that the HPHA will be requesting comment on the Board was referred to Section 6.0.

Discussion ensued and the Chair asked staff if the Board approved the action to go to Public Hearing would that preclude the Board from making comments on what is being proposed at the January Board meeting? This was being asked as the Board wanted more time to review the proposed items, yet, understood the notification requirements. Staff stated it would not preclude the Board from making comments not only at the January Board meeting but also through the entire process, as the final comments must be presented to the Board prior to submission to HUD

The motion was unanimously carried.

**Motion: To Authorize the Executive Director to Enter into a Memorandum of Agreement with the Department of Defense for the Continued Use of the Parking Lot Immediately Fronting the Hawaii Public Housing Authority's Building 19 at Kalaeloa.**

**Director Yoshioka moved and Director Beaver seconded.**

Staff reported that the HPHA owns the property but the building is owned by the DOD and the project is part of the Homeless Branch. The Department of Defense (DOD) is requesting right of entry onto the property to do upgrades to the building.

Ms. Chun reported the DOD has federal funds to renovate the building and install a fence and Board discussion ensued. The memorandum agreement is for a five year term.

The Chair asked why the HPHA had not transferred all the properties that were tied to the Homeless Branch, given that all programs were transferred to BESSED. Staff responded that the HPHA is in the process of transferring the properties to the correct state department as BESSD could not hold properties.

The motion was unanimously carried.

**Motion: To Adopt Board Resolution No. 38 Authorizing the Disposition of Property Via Ground Lease and Seller Financing, Provision of Operating Subsidy Related to the Mixed Finance Redevelopment Project at Kuhio Park Terrace Towers, and Amendment to the Annual Plan to Clarify the Development Plans.**

**Director Beaver moved and Director Dodson seconded.**

submit a disposition/demolition plan to HUD. Although the HPHA will not be demolishing units per se, in the first phase, there will a need to replace 223 public housing units. One hundred forty eight units will be Sec 8 units, 58 units will be tax credit units and 17 units on the ground floor will be used for service providers to provide services to the residents of KPT. Therefore, the HPHA will be requesting that the 223 units be restored to the HPHA through the disposition/demolition plan. This will bring the first phase of the KPT project to 555 total units.

The Board asked staff to clarify how the KPT households may be impacted by the loss of the 223 public housing units. Staff responded by stating that the project is being done in phases and when the entire project is completed all households will be housed. The first phase, which includes the towers only, will have a net loss of 17 units. These units are ground floor units and will be placed in service not as residential but for service providers. This will provide a central location for KPT households to access services. The balance of the units or the 555 total will be 349 will remain public housing units; 148 units will be project based section 8 units and 58 units will be tax credit units. All 3 programs are very similar in nature when it comes to eligibility requirements and certification reviews. Staff further detailed that there may be some shuffling units as families will be placed in appropriate sized units if they are over housed or under housed and that one key requirement for all households is that they must be in good standing. Staff is currently working on a relocation plan which takes into account the "hotel style" relocation as presented by the Michaels' Company.

Discussion ensued and staff was asked why the ground floor units were vacant and staff responded it was due to sewer issues.

The Board asked staff the status of the RFP for the Owner's Represented that was proposed. Staff responded that funding was being identified and it was projected that the RFP would be released in January.

The Board requested a tour of KPT. The Chair asked staff to present times for a future tour by the Board.

The motion was unanimously carried.

**Motion: To Adopt Board Resolution No. 37 Expressing Appreciation to Mr. Alan R. Sarhan, Chief Planner of the Hawaii Public Housing Authority.**

**Director Beaver moved and Director Dodson seconded.**

The Board recognized the contributions of Mr. Sarhan during his tenure as Chief Planner for the HPHA. It was acknowledged that Mr. Sarhan was a strong team member of the OED staff and that he will be missed; however, the Board wished him well in his new role. The motion was unanimously carried.

Chairperson Thompson called a recess at 9:49 a.m. and reconvened at 9:59 a.m.

**Motion: To Adopt Board Resolution No. 39 Authorizing the Executive Director to Amend the Section 8 Housing Choice Voucher (HCV) Program's Administrative Plan, Chapter 17 Relating to Project Based Vouchers.**

**Director Beaver moved and Director Berthiaume seconded.**

Staff explained that the Administrative Plan is specific to the Section 8 program whereas, the PHA Plan is specific to Public Housing. In either plan document, when changes are significant and have either program impact, it is necessary to take those recommended impacts for a public hearing. Not unlike what the Board just approved for the PHA Plan.

The changes currently before the Board for the Administrative Plan are administrative in nature and are not substantive changes to the program and the changes are for one section of the Administrative Plan. As a result, a public hearing is not needed because the changes are considered not material but rather are clarifying in nature. The update was reviewed by Reno & Cavanaugh PLLC.

The motion was unanimously carried.

**Motion: To Adopt Board Resolution No. 40 Granting the Department of Land and Natural Resources and Six-K Saddle City, LLC a Perpetual, Non-Exclusive Easement for Access to Utilities at Waimanalo, Koolaupoko, Oahu, TMK: (1) 4-1-013:1, 18, 21, 22.**

**Director Beaver moved and Director Dodson seconded.**

Staff explained that Department of Land and Natural Resources (DLNR) is requesting an easement for access to service utilities at Waimanalo.

The motion was unanimously carried.

**Motion: To Approve the Hawaii Public Housing Authority's Request to the Hawaii State Legislature to Adopt a Concurrent Resolution Approving the Sale of the Vacant Parcel in Hana, TMK 2-1-3-09:009, Located at 2890 Hana Highway in Hana, Maui.**

**Director Beaver moved and Director Berthiaume seconded.**

Discussion ensued and a brief overview was provided by Staff. The sale of the parcel is a carry forward item from the previous year. The HPHA had secured a realtor and placed the parcel on the market for sale and had also found an interested buyer. During the transaction period the realtor the HPHA had engaged was lost in a tragic accident. When the parcel went before the legislature for approval the sale was stopped by the Representative. Both these events brought the transaction to a standstill.

The Board asked staff if there was still an interested buyer and staff responded there was and the HPHA had recent contact with the interested buyer.

The Board asked staff if the HPHA would need to hold another public hearing on the sale and staff responded yes. Given the lapse of time it would be prudent to conduct another public hearing and include the Representative as well.

The motion was unanimously carried.

**Motion: To Approve a Waiver from the Conflict of Interest Provisions of Sections 19(A) of the Annual Contributions Contract Between the Hawaii Public Housing Authority and the U. S. Department of Housing and Urban Development for the Chief Financial Management Advisor position.**

**Director Beaver moved and Director Dodson seconded.**

**Motion: To go into executive session at 10:16 a.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to a waiver to the conflict of interest provisions in sections 19(A) of the Annual Contributions Contract Between the Hawaii Public Housing Authority and the U.S. Department of Housing and Urban Development for the Chief Financial Management Advisor position**

**Director Beaver moved and Director Berthiaume seconded.**

The motion was unanimously carried.

**The Board reconvened from Executive Session at 10:34 a.m.**

The main motion was unanimously carried.

### **Discussion:**

#### **Executive Director's Report:**

Staff reported that Mr. Sogawa was approved by HUD as the t Contracts and Procurement Officer. Previously Mr. Sogawa had been in an "acting" capacity for the last two years. This is a positive step for the HPHA.

The Board requested of staff the timing of the HPHA audits. Staff responded the financial and single audit field work is being wrapped up this week and that the Board will be provided a timeline at the next Board meeting.

Chairperson Thompson requested that the Finance Task Force review the audit and report back to the Board in January or February.

Staff provided the Board with a power point presentation to recap the achievements and milestones of the projects funded through the American Reinvestment and Recovery Act (ARRA) grant. .

The HPHA received \$16.2 mm and the following deadlines were required to meet or the funds could be recaptured by HUD:

- 100% obligated by March 17, 2010
- 60% expended by March 17, 2011
- 100% expended by March 17, 2012

The funds were allocated to 8 construction projects on Oahu, Maui, Hawaii Island, administrative fees and construction management contracts.

The projects and the funds were allocated in the following manner:

<b>Project</b>	<b>Repairs</b>	<b>Amount</b>
Hale Hauoli	Roofing, solar lights, flooring, new cabinets	\$1.8 mm
Kahekili, Maui	Repairing windows	\$5.1 mm
Kaimalino and Kealakehe	Basketball courts lights, stairwell railings, site improvements, lighting, and ADA parking	\$1.9 mm
Kalanihiua	Door in lobby, fixing windows, and roofing	\$200,000
Makani Kai Hale	Repair to the roofing, painting, and window	\$1.4 mm
Makua Alii	New rails, cabinets, and bathroom	\$2 mm
Kalakaua Homes	Roofing	\$790,000
<b>Total</b>	<b>Total does not include Administrative fees and Construction Management Contracts</b>	<b>\$13,190,000</b>

Staff summarized of the \$16,245,443 that all the funds were obligated in the deadlines provided and to date, \$7,608,521 or 46.83% has been expended and 100 jobs have been created. The above is for repairs only.

The CMS staff thanked Ms. Arashiro, the AG's office, HUD, Mr. Mark Buflo, Mr. Sarhan, consultants, contractors, and the Board for their support as this feat could not have been accomplished unless there was a strong team.

Ms. Wise thanked Ms. Choi for her knowledge, guidance, and leadership on the ARRA project and the accomplishments to date.

Staff reported that there was a meeting with the Environmental Protection Agency (EPA) to discuss the progress on the closing of the large capacity cesspools project. It was reported that the EPA was pleased that there was finally movement on the project and that, unless extraordinary circumstances presented themselves, the HPHA should be able to meet the

March 1, 2011 deadline for these to be closed. This project is under close watch of the EPA as the HPHA had not moved on the project for 2 years and the deadline was fast approaching and non-compliance carries heavy fines.

The staff presented a power point presentation of the clean-up efforts at Lanakila Homes on the Big Island. It was reported to the Board that the HPHA deployed 8 central management staff to board up, repair and replace the fence and cut the overgrown vegetation at the Lanakila Homes. The Board was told that several people and the police had stopped and thanked the crew for cleaning up the site.

The Board reviewed the Property Management and Maintenance Services Branch (PMMSB) and Construction Management Services (CMS).

The Board reviewed the Construction Management Services Branch (CMS) and staff advised the Board that the CIP funds needs to obligated by June 30, 2011. The cesspools may be delayed because of the rain but the work should be completed by the March 1, 2011 deadline.

Chairperson Thompson called a recess at 11:39 a.m. and reconvened at 11:54 a.m.

The Board reviewed the Fiscal Management Office (FMO), Contract and Procurement Office (CPO), and Personnel reports.

**Motion:** To go into executive session at 11:58 a.m. pursuant to sections to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii Public Housing Authority* (Civil No. CV08-00578).

**Director Beaver moved and Director Dodson seconded.**

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:05 p.m.

Chairperson Thompson reported that the Board discussed the KPT settlement agreement.

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

**Director Dodson, moved to adjourn and Director Beaver seconded.**

The motion was unanimously carried.

The meeting adjourned at 12:06 p.m.

## MINUTES CERTIFICATION

Minutes Prepared by:

Taryn T. Chikamori  
Taryn T. Chikamori  
Secretary to the Board/Recording Secretary

JAN 20 2011

Date

Approved by the HPHA Board of Directors at their Regular Meeting on  
January 20, 2011

Matilda Yoshoka  
Matilda Yoshoka  
Director/Board Secretary

JAN 20 2011

Date